

Charitable Gaming

Charitable gaming includes licensed bingo and associated games such as pull-tabs, merchandise coin boards and other “free” no-charge promotional events. The operation of these games is restricted to qualified licensed, religious, charitable, fraternal, veteran and service organizations.

The number of bingo licensees continues to decline each year with a total of 550 regular licensees in FY 2002. This is down approximately 26 licensees from the previous fiscal year. The chart below reflects the total decline over the past three years.

TYPE OF LICENSE	FY 00	FY 01	FY 02
Regular Bingo	608	576	550
Special Bingo (Valid for one event from 1 to 7 days)	386	368	345
Abbreviated Pull-Tab (Valid for 24 hours, limit 4 per calendar year)	135	163	159
Supplier	6	6	7
Manufacturer	10	9	11
Hall Provider	170	192	147

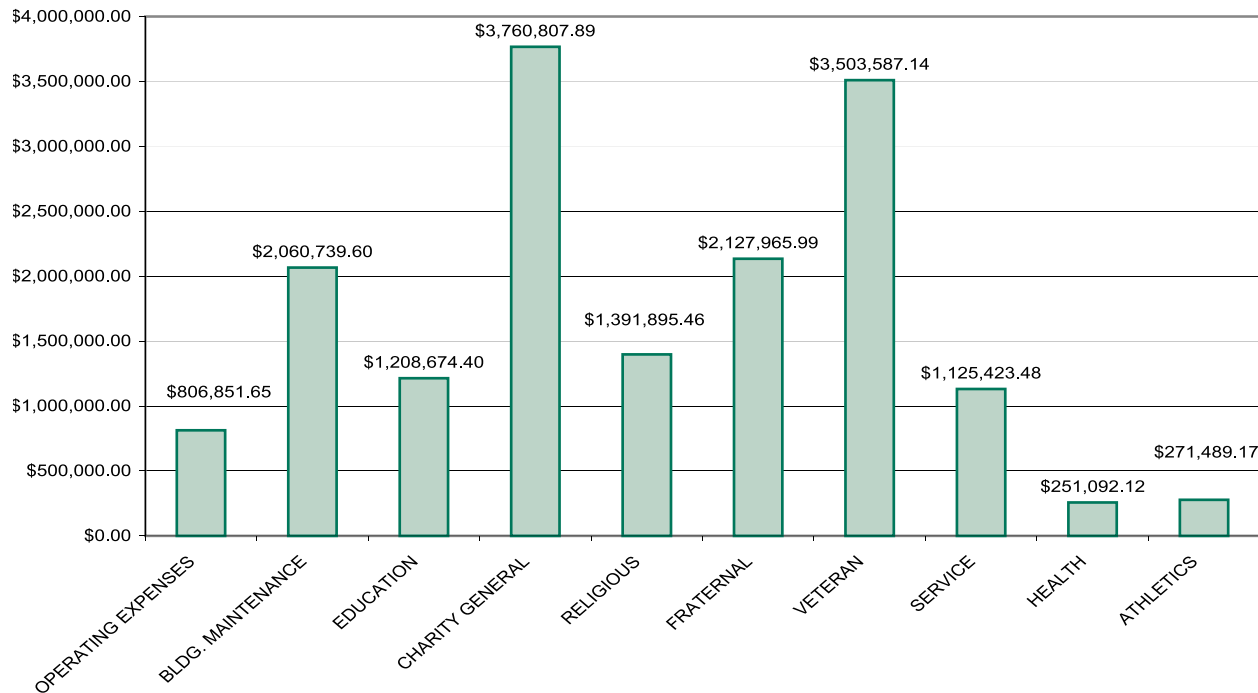


Staffing of the bingo division was reduced in the past year. The administrative staff was reduced by 20 percent while the number of enforcement officers assigned to the bingo division was reduced by one third.

During FY 2001, the Commission approved a regulation that allows charitable game operators to use Electronic Bingo Card Monitoring Devices without printed bingo paper. The devices were required to be tested by an independent testing laboratory before approval would be given for the licensee to operate. The first operator was approved for electronics without bingo paper in January 2002. A total of 26 bingo operators were approved to operate without paper during FY 2002.

Net proceeds from charitable games are required by the Missouri Constitution to be used for religious, charitable or philanthropic purposes of the organization. The chart on the following page reflects the donations expended from the net proceeds earned from charitable game activities during FY 2001.

DISBURSEMENTS OF BINGO MONIES BY CHARITABLE GAME OPERATORS IN 2001



The charitable games section is committed to improving communication with the charitable organizations. For the past several years, the Commission has conducted seminars around the state. While a number of organizations participated in the seminars, the majority of charitable game operators were not participating.

In FY 2002 the Commission expanded its efforts to encourage two-way communication with all charitable game operators. A newsletter was prepared which summarized several topics we felt were important for the operators. It also included a short survey in hopes of receiving input from everyone on a variety of topics. The survey appeared to be well received and return comments were obtained from operators who were unable to attend the regional seminars.

The enforcement section conducted 35 inspections during FY 2002, and the audit section assisted with 23 of the inspections. In addition, the audit section conducted 55 audits, including bingo product manufacturers, suppliers and charity game operators. Audits and/or inspections are generally initiated by complaints from players or members of the organizations. The bingo section received 110 complaints, 93 of which were com-

pleted in the same year. A number of the audits conducted were done to assist operators in setting up bookkeeping procedures to enable them to comply with quarterly reporting requirements.

Bingo statutes and regulations establish due dates for suppliers, hall providers and bingo operators to submit renewal applications and quarterly reports. Failure to meet the established due dates results in a penalty being assessed in the amount of \$5 per day. Penalties are also assessed in some disciplinary cases. The penalty is collected by the bingo division and forwarded to the county treasurer in the county where the company or organization is located for deposit in the county school fund. During FY 2002 the bingo section processed 256 penalties that resulted in \$41,934 additional funds for various schools throughout Missouri.

Officers and/or workers of charitable organizations participating in the management, conduct or operation of bingo may only participate if they have never been convicted of a felony. The Commission performs a criminal background check on all names submitted to ensure no felons are involved. During FY 2002, a total of 28,833 record checks were performed and a total of 57 convicted felons were identified and excluded from participating in the management or operation of charitable games. The total number of felons excluded since the charitable games division was moved to the Missouri Gaming Commission in 1994 is 548. During this same time period, a total of 70,460 criminal history checks have been conducted.